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Turkey

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Successful Trade Promotion for U.S. Hides and Skins in Turkey

Report Categories:

Export Accomplishments - Events

Approved By:

Rachel Nelson

Prepared By:

Ibrahim Sirtioglu

Report Highlights:

U.S. animal hide exports to Turkey increased 280 percent in the first eight months of 2011 reaching US\$ 19 million. Representatives of the U.S. Hide, Skin and Leather Association visited Turkey in October 2011, registering immediate sales of at least US\$ 750,000.

Representatives of the U.S. Hide, Skin and Leather Association and five industry members visited Turkey in October 2011 and in partnership with FAS Turkey organized a technical conference, which was attended by about fifty Turkish tanning and leather industry members. The event was hailed as a success by both attendees and organizers. Aside from the training sessions, FAS also organized trips to leading Turkish tanneries and leather goods and garments producers and one-on-one meetings between suppliers and customers. U.S. exporters report initial sales as a result of this mission as US\$ 750,000 and estimate that final orders may reach US\$ 1.5 million.

U.S. hide exports to Turkey increased 280 percent in the first eight months of 2011 reaching US\$ 19 million. This compares with US\$ 5 million in the same period of 2010. The U.S. market share in the Turkish market for imported bovine hides reached thirty percent in 2011, the highest level in many years. Turkey has a large tanning and leather industry, which produces leather garments, belts, bags, wallet and shoes. There are about 540 tanning factories and the tanning and leather industry employs about 200,000 people in Turkey. In recent years, Turkish tanners invested heavily in modern technology and have increased their capacities as well.

The domestic market for leather goods is growing steadily as incomes rise, and Turkey is also one of the leading exporters of leather products. Turkish leather goods exports reached US\$ 1.3 billion in 2010. Additionally, there is US\$ 1.2 billion worth of unregistered trade annually where buyers from primarily the former Soviet Union carry in their luggage large amounts of leather products back to their countries to resell.

In the 1990's Turkey bought a large amount of U.S. sheep skin but market they switched to bovine hides since then due to market conditions. Turkish tanners are focusing on improving the quality of their final products and therefore are seeking high quality raw material to compete with Asian producers both at home and in international markets. Lack of domestic hides in recent years persuaded tanners to look for new sources, and U.S. hides became the leading source due to high quality and consistent standards. However, a large number of Turkish tanners are not knowledgeable about import practices, varieties and availability of foreign hides. Therefore U.S. suppliers benefited from the educational and promotional efforts of FAS Turkey.

In the past several years, FAS Ankara has increasingly focused on this sector, hosting a technical conference in cooperation with the U.S. Hides, Skin and Leather Association (USHSLA) to show Turkish importers how to use the GSM -102 credit guarantee program and organizing a Cochran Program which brought Turkish tanners to the United States for training on the quality and technical specifications of U.S. hides and skins. Tanners who participated in these programs led the way and later many other Turkish tanners switched to the U.S. as a supplier. This pushed Turkish imports from US\$ 2.4 million in 2009 to US\$ 7.3 million in 2010 and US\$ 19 million in first eight months of 2011. Some of these purchases were under the GSM 102 credit program. As of September 2011 Turkish importers registered US\$ 10.6 million under the program to purchase U.S. hides.

During the most recent seminar in October 2011, FAS Istanbul organized one-to-one meetings between U.S. hide exporters and Turkish importers in order to improve understanding of the needs of Turkish users and

provide further information on U.S. hide varieties which can best meet these needs. Post expects demand for U.S. hides to grow further, particularly if technical and educational programs continue.